Exhibit A

Exhibit A

Funded Status of the Grace Retirement Plans

As of January 1, 2005 and January 1, 2004, depending on the measure of liability, the funded status of the Grace Retirement Plans, is specified in the following chart.[1]

January 1, 2004
(all amounts in millions)

Measures of Liability	Economic Obligation (FAS 35)	ABO	PBO	ERISA/ "Current Liability"[2]
[redacted]	$ 741	$ 879	$ 912	$763
Asset Value	658	658	658	658
Funded Status	$ –83	$ –221	$ –254	-105

January 1, 2005

Measures of Liability	Economic Obligation (FAS 35)	ABO	PBO	ERISA/ "Current Liability"
[redacted]	$ 749	$ 957	$ 995	$878
Asset Value	666	666	666	627
Funded Status	$ –83	$ –291	$ –329	-251

Change From 1/2004 to 1/2005

Measures of Liability	Economic Obligation (FAS 35)	ABO	PBO	ERISA/ "Current Liability"
Change	0	–70	–75	-146

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[1]Financial Accounting Standard ("FAS") 35 defines "actuarial present value of accumulated plan benefits" (Economic Obligation) as follows-"[a]ccumulated plan benefits are those future benefit payments that are attributable under the plan's provisions to employees' service rendered to the benefit information date. Accumulated plan benefits comprise benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of deceased employees, and (c) present employees and their beneficiaries.... The actuarial present value of accumulated plan benefits is that amount as of the benefit information date that results from applying actuarial assumptions to the benefit amounts determined pursuant to [the prior sentence and certain other factors]." ... FAS 35, paragraphs 16 and 19.

Under FAS 87, "projected benefit obligation" (PBO) is defined as "[t]he actuarial present value as of a date of all benefits attributed by the pension benefit formula to employee service rendered prior to that date. The projected benefit obligation is measured using assumptions as to future compensation...." FAS 87, p264, Glossary. The "accumulated benefit obligation" (ABO) is defined as "[t]he actuarial present value of benefits -attributed by the pension benefit formula to employee service rendered before a specific elate and based on employee service and compensation ... prior to that date. The accumulated benefit obligation differs from the projected benefit obligation in that it includes no assumption about future compensation levels....". Id.

The Economic Obligation is calculated in a manner that is similar to the ABO calculation (versus the PBO calculation), except that, in the case of the Grace Retirement Plans, the interest rate assumptions used to derive the present value portion of those calculations differ and, in the case of plans covering union employees, the ABO calculation takes into consideration future scheduled increases in annual retirement benefits whereas the Economic Obligation does not consider such increases.

[2]The "Current Liability" is used for funding purposes under Code section 412. It is calculated in a manner similar to the ABO, except that the range of interest rates and the mortality table are prescribed by the IRS, and may differ from those used for the ABO calculation. Also note that the related "asset value" is the "actuarial" asset value, not market value. In 2004, both measures were the same because Grace set the assets equal to market value at that time.